

CGH 022/2022

August 15, 2022

Re: Management Discussion and Analysis (MD&A)
For the three-month and six-month periods ended June 30, 2022

To: The President
The Stock Exchange of Thailand

Management Discussion and Analysis

The financial information for Country Group Holdings Public Company Limited and its subsidiaries (“The Company”) are as follows:

Unit: Million Baht

<i>STATEMENTS OF FINANCIAL POSITION</i>	<i>June 30, 2022</i>	<i>December 31, 2021</i>
<i>Total Assets</i>	9,741.80	9,155.12
<i>Total Liabilities</i>	3,812.63	3,141.63
<i>Total Shareholders' equity</i>	5,929.17	6,013.49

Unit: Million Baht

<i>STATEMENTS OF COMPREHENSIVE INCOME</i>	<i>For the three-month periods ended June 30,</i>				<i>For the six-month periods ended June 30,</i>			
	<i>2022</i>	<i>2021</i>	<i>Changes</i>	<i>%</i>	<i>2022</i>	<i>2021</i>	<i>Changes</i>	<i>%</i>
<i>Total Revenues</i>	350.50	437.22	(86.72)	(19.83)	782.97	882.64	(99.67)	(11.29)
<i>Total Expenses</i>	351.45	374.13	(22.68)	(6.06)	747.47	743.15	4.32	0.58
<i>Share of Profit (Loss) from investment in associates</i>	(53.69)	18.28	(71.97)	(393.71)	(39.37)	66.04	(105.41)	(159.62)
<i>Profit (Loss) before Income Tax</i>	(54.64)	81.37	(136.01)	(167.15)	(3.87)	205.53	(209.40)	(101.88)
<i>Income Tax Income (Expenses)</i>	(2.83)	(19.55)	16.72	85.52	(15.86)	(31.56)	15.70	49.75
<i>NET INCOME (LOSS) FOR THE PERIODS</i>	(57.47)	61.82	(119.29)	(192.96)	(19.73)	173.97	(193.70)	(111.34)

The Company would like to announce the operating results of the Company for the three-month and six-month periods ended 30 June 2022, which has been reviewed by the auditor to be as follows:

For the three-month period ended June 30, 2022

The Company's net loss was Baht 57.47 million, a decrease of Baht 119.29 million or 192.96% from the net income of Baht 61.82 million in the same period last year. The main reasons are as follows:

1. The Company's total revenue was Baht 350.50 million, a decrease of Baht 86.72 million or 19.83% from the total revenue of Baht 437.22 million in the same period last year. The details are as follows:
 - Brokerage fees were decreased by Baht 63.55 million due to a decrease in trading volume of securities and unit trusts which fluctuated directly to the overall market. However, the subsidiary still maintained its ranking of broker at the same level for both securities and derivatives.
 - Gain and return from financial instruments were decreased by Baht 22.39 million. The main reason was loss from the revaluation of debt instrument which was resulted from the higher of U.S. Bond Yield. In addition, the Federal Reserve (FED) hiked interest rates to reduce inflation caused the overall market values of equity and debt securities dropped.
2. The Company's total expense was Baht 351.45 million, a decrease of Baht 22.68 million or 6.06% from the total expense of Baht 374.13 million in the same period last year. The details are as follows:
 - Employee benefits expenses and fee and service expenses were decreased by Baht 4.27 million due to the decreases of expenses related to trading volume of securities.
 - Impairment loss of financial assets was decreased by Baht 20.17 million due to the reversal of expected credit loss. The subsidiary has received repayment during the period
3. The Company's share of loss from investments in associates was Baht 53.69 million, a decrease of Baht 71.97 million compared to the same period last year which was share of profit of Baht 18.28 million or 393.71%. This was due to a decrease in operation and the higher of costs during the three-month period in one of the Company's associates.

For the six-month period ended June 30, 2022

The Company's net loss was Baht 19.73 million, a decrease of Baht 173.97 million or 193.70% from the net profit of Baht 173.97 million in the same period last year. The main reasons are as follows:

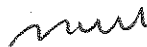
1. The Company's total revenue was Baht 782.97 million, a decrease of Baht 99.67 million or 11.29 % from the total revenue of Baht 882.64 million in the same period of last year. The details are as follows:
 - Brokerage fees were decreased by Baht 46.12 million due to a decrease in trading volume of securities and unit trusts during the 2nd quarter of this year which fluctuated directly to the overall market. However, the subsidiary still maintained its ranking of broker at the same level for both securities and derivatives.
 - Interest income with effective interest method decreased by Baht 10.48 million mainly from a decrease of interest income from debentures.
 - Gain and return from financial instruments were decreased by Baht 19.91 million. The main reason was loss from the revaluation of debt instrument which was resulted from the higher of U.S. Bond Yield. In addition, the Federal Reserve(FED) hiked interest rates to reduce inflation caused the overall market values of equity and debt securities dropped in the 2nd quarter.
 - Other income was decreased by Baht 21.42 million due to a decrease of gain on disposal of investment properties of last year and a decrease of gain on exchange rate from disposal some foreign investments.

2. The Company's total expense was Baht 747.47 million, an increase of Baht 4.32 million or 0.58% from the total expense of Baht 743.15 million in the same period last year. The details are as follows:
 - Employee benefit expenses were increased by Baht 21.42 million result of the increase of number of employees for support new operating services and new products.
 - Impairment loss of financial assets was decreased by Baht 25.17 million due to the reversal of expected credit loss. The subsidiary has received repayment during the period.
 - Other expenses increased by Baht 6.02 million due to loss from the revaluation of cryptocurrency correspond to the fluctuation of the market during the period. Including the increasing in premises and equipment expense as the Company set up new systems to support new products launching

3. The Company's share of loss from investments in associates was Baht 39.37 million, a decrease of Baht 105.41 compared to the same period last year which was share profit of Baht 66.04 million or 159.62%. This was due to a decrease in operation and the higher of costs during the period in one of the Company's associates.

Please be informed accordingly.

Sincerely yours,



(Mr. Tommy Taechaubol)
Chief Executive Officer